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MEMORANDUM OF UNDERSTANDING

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This Memorandum of Understanding is entered into between the Wampanoag Tribe of Gay Head (Aquinnah) (the "Tribe") and the Commonwealth of Massachusetts and sets forth the intention of the Tribe and the Commonwealth to enter into a Tribal-State Compact for gaming on Indian Lands (the "Compact") on the terms and conditions stated herein, and pursuant to the provisions of the federal Indian Gaming Regulatory Act, codified at 25 U.S. Code §§2701-21 ("IGRA"). Pursuant to this Memorandum of Understanding, the parties hereby recite and agree as follows:

1. The Tribe has entered into a purchase and sale agreement to acquire in trust a parcel of property owned by the City of New Bedford, Massachusetts, located adjacent to the intersection of State Highway 140 and Interstate Highway 195 ("the Site") in the City of New Bedford. The Tribe agreed to acquire a New Bedford site in lieu of locating a gaming facility on Martha's Vineyard because of the ecologically fragile nature of Martha's Vineyard, and because it was in the best interest of the Tribe and the Commonwealth to locate an Indian gaming facility in Southeastern Massachusetts given the economic circumstances of this region of the Commonwealth. Many members of the Tribe also have historical connections to the City of New Bedford. The Tribe intends to construct a gaming and family entertainment complex (the "Complex") on the Site pursuant to a Compact entered into between the Tribe and the Commonwealth of Massachusetts. Promptly upon

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the execution of this Memorandum of Understanding, the Tribe will undertake to obtain the approval of the Secretary of the Interior ("the Secretary") under 25 U.S.C. §2719(b)(1) for the taking of the Site into trust. For purposes of §2719(b)(1), the Governor of the Commonwealth would concur in a determination by the Secretary that a gaming facility as described herein would be in the best interest of the Tribe and its members and would not be detrimental to the surrounding community.

2. The Tribe agrees to construct on the Site a permanent gaming facility of not less than 75,000 nor more than 150,000 square feet of gaming space. The Tribe agrees that it will use its best efforts to complete construction of such a permanent gaming facility within eighteen months from the execution of a Compact. Pending completion of the permanent gaming facility, the Tribe may erect a temporary gaming facility, which facility shall be closed once the permanent gaming facility is determined by the Commonwealth to be ready for occupancy.

3. The Tribe agrees to construct a major family theme park in conjunction with the Complex, which theme park and related facilities will occupy approximately 40 acres. Such theme park may contain indoor and outdoor components and shall include rides and attractions appropriate to a family theme park. The design of the theme park shall be subject to approval by the Governor, and such approval shall not be unreasonably withheld. The theme park may be constructed at the same time or phased in after the

permanent gaming facility is constructed, but in no event shall the theme park be completed later than twenty-four months following occupancy of the permanent gaming facility.

The Tribe expects that, within 18 months of occupancy of the permanent gaming facility, it will commence construction of a hotel on the Site.

4. Pursuant to IGRA, the parties agree that the Tribe may offer Class III gaming in the temporary and permanent gaming facilities to be constructed on the Site, as such gaming is defined in 25 U.S.C. §2703(8). The Compact will set out in detail the nature of, and rules for, any such Class III gaming. Such gaming shall be comparable to the games permitted by a Compact entered into between the State of Connecticut and the Mashanatucket Pequot Tribe, 56 Fed. Reg. 24996 (May 31, 1991), and such other games, if any, that the parties shall agree upon.

5. All gaming offered on the Site shall be subject to strict regulation and oversight by both the Tribe and the Commonwealth. Such regulation shall include at a minimum: 1) approval, by the Commonwealth and by the Tribe, of any contracting party to any management agreement with the Tribe, and of any officers, directors, shareholders of, lenders to, or any other person, company or entity holding any direct or indirect interest in any such contracting party; 2) the licensing by the Tribe and Commonwealth of every employee at the Complex who will be

involved in gaming (including employees and principals of any party to any management contract with the Tribe); 3) the licensing by the Tribe and Commonwealth of every person, company, or entity (and the principals thereof) which will provide gaming services, gaming supplies or gaming equipment to the Complex; and 4) the licensing by the Tribe and Commonwealth of every person, company, or entity (and the principals thereof) which will supply services or equipment in a total amount exceeding the sum of $25,000 in any 12 month period to the gaming facility. The procedures for obtaining any licenses shall include, at a minimum, the submission of a detailed application to Tribal and Commonwealth authorities, and a background check and investigation (including a criminal records check). No person, company, or entity shall have any right or entitlement to any license. Such licenses shall be valid for no longer than one year, and may be suspended at any time for any reason by either the Tribal or Commonwealth regulators, with or without cause.

6. The Tribe agrees that it, and any company or companies undertaking to manage the gaming operation on the Tribe's behalf, pursuant to any management agreements or otherwise, shall maintain complete and accurate financial records of all gaming operations and shall comply with any reasonable method of presentation of the accounts to the Commonwealth, as requested by the Commonwealth, on a monthly basis, such accounts to be rendered on or before the fifteenth day of each month following the close of the month being reported. In addition, the Tribe

agrees that, at its expense, an annual financial audit of the gaming operations shall be undertaken by an independent certified public accountant with experience in casino auditing selected by it (and subject to the approval of the Commonwealth); such an audit shall be undertaken in accordance with generally accepted auditing and accounting principles, and its results shall be submitted to the Commonwealth promptly upon completion.

7. Consistent with the terms of the Compact, the Commonwealth will have jurisdiction to enforce all criminal laws at the Complex. In addition, Commonwealth law enforcement officers and regulators shall have free access to all areas of the gaming facility at all times with or without notice to the Tribe or to any other party.

8. In full settlement and satisfaction of certain controversies which have arisen between the parties concerning the scope of permitted gaming under IGRA, and subject to the agreement set forth in this section, and as long as no other casino gaming facility or facility offering electronic lottery devices or video facsimiles is authorized in the Commonwealth (except as provided for in this section), the Tribe will make an annual contribution to the Commonwealth and cities and towns in Bristol County. The contribution shall be the sum of one hundred and five million dollars ($105,000,000) less 33 1/3% of the amount by which annual gross gaming revenues of the Tribe are less than three hundred and seventy-five million dollars

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($375,000,000) or one hundred and five million dollars ($105,000,000) plus 33 1/3% of the amount by which annual gross gaming revenues of the Tribe exceed three hundred and seventy-five million dollars ($375,000,000). Notwithstanding the foregoing, however, and subject to the terms and conditions hereof, during the operation of any temporary facility and until a certificate of occupancy is issued for any part of the permanent gaming facility, the Tribe shall make a contribution equal to 25% of the annual gross gaming revenues.

For purposes of this section of this Memorandum of Understanding, "gross gaming revenues" is the total sum wagered on all gaming conducted within the Complex less amounts paid out as prizes, and "annual" refers to the fiscal year of the Commonwealth.

Ten percent of the contribution referred to above shall be paid by the Tribe directly to cities and towns in Bristol County pursuant to the lottery formula, so-called, and ninety percent of such contribution shall be paid to the Commonwealth. Payments of the contribution described above shall be made on or before the fifteenth day of each month, and such monthly contributions shall be determined by calculating the cumulative gross gaming revenues for the number of months of the fiscal year which have elapsed concluding with the month preceding the month in which the payment is due, projecting such cumulative gross gaming revenues over the full fiscal year on a pro forma basis, and dividing the

pro forma result by twelve. The final monthly payment shall be due July 15 of each year for the year ending the preceding June 30; credit shall be given for any monthly contributions made previously for that fiscal year.

Such contribution shall be payable for a period of six years beginning with the occupancy of the temporary facility, provided that if the temporary facility has not been occupied within six months after the date a Compact is approved by the Secretary of the Interior, the six year period shall begin to run from the expiration of that six month period, and provided further that if litigation is initiated and occupancy of the temporary facility is temporarily or permanently enjoined, the six month period shall be extended until such injunction or order is dissolved, but for not more than three additional months. The Tribe agrees to use its best efforts to dissolve any such injunction or order. If any other casino gaming facility or facility offering electronic lottery devices or video facsimiles is authorized under Massachusetts law during such six year period, the contribution payable hereunder will cease and lapse. Notwithstanding the preceding sentence, such contribution shall continue to be made if the General Court by law authorizes not more than four hundred electronic lottery devices and video facsimiles for each of the four racetracks now licensed in the Commonwealth (at Foxboro, Raynham, Revere and East Boston), and/or the General Court by law authorizes not more than one casino in Hampden County (which casino may include electronic

lottery devices and video facsimiles) following a popular referendum held at the biennial State election on November 8, 1994 in the city or town in which such casino is to be located, approved by a majority of voters voting in such referendum, and provided further that said casino is subject to the same rate of payment and/or contribution as that imposed upon the Tribe.

Following the six year period described above, the Tribe agrees to continue to make a contribution to the Commonwealth and to the cities and towns in Bristol County in the percentages set out above, provided that no other comparable gaming is offered in the Commonwealth; or, in an amount equal to the rate, if any, imposed by the Commonwealth on gaming which is comparable to that offered at the Complex, including any such rate imposed upon a casino in Hampden County.

9. The Tribe agrees to pay up to six million dollars ($6,000,000) to the Commonwealth and the City of New Bedford for roadway and infrastructure improvement necessary or appropriate in the judgement of the Commonwealth and City of New Bedford to accommodate the Complex within the vicinity of the Site. One half of the amount payable hereunder shall be paid to the Commonwealth and one half shall be paid to the City of New Bedford. Any amounts received by the Commonwealth or the City of New Bedford by way of federal reimbursement for such infrastructure improvements shall be repaid to the Tribe.

10. The parties agree that the Tribe shall bear the full costs of the regulation of the gaming facility. The Commonwealth is intended to be compensated for such costs by way of the contribution payable under section 8 of this Memorandum of Understanding. Payments for such costs shall be made to the Commonwealth annually prior to the beginning of the fiscal year based on estimates made by the Commonwealth and deducted as a credit from the contribution payments due under section 8.

11. The Tribe agrees that it shall pay and withhold all applicable federal and state taxes for non-Indian employees of the Complex. In addition, cigarettes, liquor and other commodities sold at the Complex, and hotel rooms at the Complex, shall be subject to all sales, excise, hotel and other taxes without regard to the sovereign status of the Tribe.

12. The Tribe agrees that the Site shall be subject to the National Labor Relations Act, 29 U.S.C. §151, et seq.

13. The Tribe agrees that preference in employment at the Complex shall be given first to members of the Tribe, second to other Native Americans, and third to residents of Bristol County, Massachusetts, provided however, that such persons are qualified for, or can be trained for, the positions available.

14. The Tribe agrees to maintain adequate liability insurance to compensate injured patrons of the Complex.

15. The Tribe agrees to work with the Commonwealth to support and fund an education and awareness program for compulsive gamblers.

16. The Tribe agrees that no person under the age of 21 shall be allowed in the temporary or permanent gaming facility, and that it will use its best efforts to ensure such underage persons are not admitted.

17. The parties agree this Memorandum of Understanding is subject to further negotiation and execution of a full written Compact. This Memorandum of Understanding is intended to set forth the intent of the parties to enter into a Compact on the terms and conditions, stated herein. The parties understand that a binding agreement is subject to, and can only be concluded through, a full written Compact. See Schwanbeck v. Federal-Mogul Corp., 412 Mass. 703, 706-07 (1992).

18. Promptly after the execution of this Memorandum of Understanding, the Tribe will adopt a Tribal Gaming Ordinance and will move to seek approval of the ordinance by the Chairman of the National Indian Gaming Commission, pursuant to 25 U.S.C. §2710. Further, the Tribe will promptly submit the Management Contract dated August 3, 1994 between the Tribe and CHC Management Corp. ("Carnival") to the National Indian Gaming Commission for its approval.

19. This Memorandum of Understanding is conditioned upon the Tribe obtaining all necessary local, state or federal approvals and permits for acquisition and development of the Site, and of the Tribe acquiring the Site in trust.

20. The Tribe understands that the Governor intends to submit the Compact for the advice and consent of the Massachusetts General Court to be rendered in a so-called up or down vote. Should a law be enacted otherwise subjecting the Compact to legislative approval, the Tribe reserves the right to pursue any and all of its legal and lawful remedies, including its rights under IGRA.

21. The parties acknowledge and agree that negotiations pursuant to IGRA commenced between the Tribe and the Commonwealth on or about January 24, 1994 and acknowledge that the Commonwealth reserved all of its rights relating to the applicability of IGRA.

22. This Memorandum of Understanding may be modified or amended only by a subsequent written agreement executed by both parties.

23. This Memorandum of Understanding may be executed by the parties in counterparts.